



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 PEARL STREET, SUITE 20-100
NEW YORK, NY 10004-2616

August 10, 2023

BY ECF

The Honorable Vera M. Scanlon
United States Magistrate Judge
United States Courthouse
225 Cadman Plaza East
Brooklyn, NY 11201

**Re: SEC v. GPB Capital Holdings, LLC, et al., 21-cv-00583-MKB-
VMS/Clarification Regarding Plaintiff's Intended Scope of Litigation
Injunction**

Dear Judge Scanlon:

Plaintiff Securities and Exchange Commission (the "SEC") submits this letter to clarify the SEC's intended scope of the litigation injunction contained in the Proposed Order Appointing Receiver and Imposing Litigation Injunction ("Proposed Order"), as amended [Dkt.#161-2]. Since the filing of Your Honor's Report and Recommendation on July 28, 2023 [Dkt.#157], the SEC has been contacted by plaintiffs' counsel in two class action cases listed on Schedule 3 to the Proposed Order, which sets forth those cases to be stayed by the litigation injunction if and when the Proposed Order is entered. Plaintiffs' counsel inquired whether the Proposed Order is intended to stay litigation against entities that are **not** Receivership Entities or Receivership Assets, as defined in the Proposed Order. Plaintiffs' counsel also inquired whether the litigation injunction is intended to cover any of the "Ordinary Course Professionals" listed on Schedule 2 of the Proposed Order who may be defendants in any of the listed actions.

For the avoidance of any confusion, the SEC did not seek nor does it intend for the litigation injunction in its current form in the Proposed Order to extend to any non-Receivership Entities or to any non-Receivership Assets, including to any co-defendants named in any class action cases. The purpose of the litigation injunction is to consolidate all claims against Receivership Entities and Receivership Assets before the Receivership Court. The SEC also does not intend for the litigation injunction to extend to any Ordinary Course Professionals for any conduct arising before the Proposed Order is entered. The purpose of the list of Ordinary Course Professionals is to ensure a seamless continuation of operations in the event the Court orders the appointment of a receiver.

However, if circumstances change and the SEC and/or the Receiver, if appointed, determine that extension of the litigation injunction to non-Receivership Entities and/or non-Receivership Assets is necessary to protect the receivership for the benefit of

investors, the SEC reserves the right to seek such an extension upon motion and notice to all interested parties.

Respectfully submitted,

/s/ Neal Jacobson

Neal Jacobson

Trial Counsel

Securities and Exchange Commission

(212) 336-0095 (tel.)

Jacobsonn@sec.gov